

**OFFICE OF CITY CONTROLLER**

**CITY OF HOUSTON**  
**INTER OFFICE CORRESPONDENCE**

<b>To</b>	Mayor Bill White City Council Members	<b>From</b>	Annise D. Parker City Controller
		<b>Date</b>	February 27, 2004
		<b>Subject</b>	<b>January 2004 Financial Report</b>

Attached is the Monthly Financial and Operations Report for the period ending January 31, 2004.

**GENERAL FUND – FY 2004**

General Fund revenue projections have decreased by \$4.6 million from last month. This is due to yet another increase in our sales tax estimates, offset by decreases in estimates for industrial assessment, electric franchise and telephone franchise revenues.

- The sales tax revenue projection is \$331.9 million, or \$2.4 million more than last month. Our projection is based on year-to-date receipts, which are running higher than we anticipated at the start of the fiscal year. For the remainder of FY 04 we are predicting a 2% increase over FY 03.
- The industrial assessment revenue projection is \$14.7 million. This is a decrease of \$1.3 million. Our projection is based on year-to-date collections and the latest estimate from the Harris County Appraisal District.
- The electric franchise revenue projection is \$76.2 million. This is a decrease of \$2.7 million. Our projection is based on year-to-date receipts.
- The telephone franchise projection is \$54 million. This is a decrease of \$3 million. Our projection is based on year-to-date receipts.

General Fund expenditure projections have decreased by \$5.3 million from last month. This is due to anticipated savings of \$4.8 million from a reduction in the City's costs for employee health care insurance. Under the new plan, the City's portion of the insurance premiums will decline from 88% to 80%. Our new expenditure projections also include \$500 thousand in savings from decreased departmental personnel costs resulting from attrition.

Due to the health benefits and personnel savings, we are now projecting a budget shortfall of approximately \$3.6 million. This is down from the \$5.8 million shortfall we reported in December.

Mayor Bill White  
City Council Members  
January 2004 Monthly Financial and Operations Report

**HIGHLIGHTS OF THE BOND STATUS REPORT**

<b>COMMERCIAL PAPER</b>	<b>Drawdowns FY04</b> (in millions)	<b>Drawdowns in Jan.</b> (in millions)	<b>Increased Authorization/ (Refunded)</b> (in millions)	<b>Amount Available to be Drawn</b> (in millions)	<b>Amount Outstanding</b> (in millions)
<b>General Obligation</b>					
<i>(Series A &amp; B)</i>					
<i>Public Improvement Bonds</i>	\$ 37.00	\$ 7.00	\$ (69.00)	\$ 70.00	\$ 308.30
<i>(Series C)</i>	\$ 2.40	\$ 0.00	\$ (45.90)	\$ 0.00	\$ 0.00
<i>Equipment</i>	\$ 3.10	\$ 0.00	\$ (19.10)	\$ 0.00	\$ 0.00
<i>Storm &amp; Overlay</i>					
<i>(Series D)</i>	\$ 27.00	\$ 5.00	\$ 110.00	\$ 235.00	\$ 40.00
<i>(Series E)</i>					
<i>Downtown Streetscape</i>	\$ (0.50)	\$ 0.00	\$ 0.00	\$ 0.50	\$ 5.00
<i>Equipment</i>	\$ 18.50	\$ 0.00	\$ 9.50	\$ 60.50	\$ 18.50
<i>Metro Street Projects</i>	\$ 0.00	\$ 0.00	\$ 63.00	\$ 63.00	\$ 0.00
<i>Cotswald Project</i>	\$ 0.00	\$ 0.00	\$ 7.50	\$ 7.50	\$ 0.00
<b>Water and Sewer</b>	\$ 190.00	\$ 0.00	\$ 0.00	\$ 294.75	\$ 605.25
<i>(Series A &amp; B)</i>					
<b>Aviation</b>	\$ 0.00	\$ 0.00	\$ 0.00	\$ 300.00	\$ 0.00
<i>(Series A,B, &amp; C)</i>					
<b>Convention &amp; Entertainment</b>	\$ 0.00	\$ 0.00	\$ 0.00	\$ 52.50	\$ 22.50
<i>(Series A)</i>					

The City's practice has been to maintain no more than 20% of the total outstanding debt for each type of debt in a variable rate structure.

As of January 31, 2004, the ratio for each type of outstanding debt was

<b>General Obligation</b>	17.8%
<b>Water and Sewer</b>	15.2%
<b>Aviation</b>	16.0%
<b>Convention &amp; Entertainment</b>	27.1%

Respectfully submitted,



Annise D. Parker  
City Controller